



Maricopa County

Lee Ann Bohn
Assistant County Manager

301 West Jefferson St.
10th Floor
Phx, AZ 85003-2148
Phone: 602-372-7020
Fax: 602-506-3436
www.maricopa.gov

To: Maricopa County Detention Billing Agencies
From: Lee Ann Bohn, Assistant County Manager
Date: January 26, 2022
Subject: Final Jail Per Diem Billing Rates for FY2023

The purpose of this memorandum is to provide the **final** jail per diem billing rates for FY2023. As communicated in the preliminary memos dated December 1, 2021, and January 7, 2022, the County is mindful of the impact on city and town budgets due to the fluctuations in jail per diem billing rates. County leadership explored options to identify a solution that continues to allow the County to recoup cost associated with municipal detainees while also offering some level of predictability to cities and towns that use our jail system. As we analyzed the data related to the jail per diem billing rates, we determined the most influential factor in rate increases is units of service (bookings or man days). As the rates are derived by dividing budgeted costs by the units of service, any change in these factors has a significant impact on the booking and housing rates. Thus, when there are significant fluctuations in bookings and man days year-over-year, the jail per diem billing rates have resulting fluctuations.

To account for abnormal fluctuations in utilization and to smooth out year-over-year changes in bookings and man days, the County will employ a five-year utilization average to calculate the FY2023 jail per diem billing rates. Updating the jail rate methodology in this manner will help minimize the impact of significant changes in utilization and help stabilize the budgetary impacts to cities and towns while still allowing the County to recoup costs.

The following table illustrates the final Jail Per Diem Rates that will be effective July 1, 2022.

Jail Per Diem Rates	FY2023 Rate	FY2022 Rate	Difference	Percent Change
Gross Housing Rate	\$ 114.02	\$ 134.20	\$ (20.18)	-15.0%
CARES Act Credit		\$ (38.76)	\$ 38.76	-100.0%
Net Housing Rate	\$ 114.02	\$ 95.44	\$ 18.58	19.5%
Gross Booking Rate	\$ 548.45	\$ 611.84	\$ (63.39)	-10.4%
CARES Act Credit		\$ (169.48)	\$ 169.48	-100.0%
Net Booking Rate	\$ 548.45	\$ 442.36	\$ 106.09	24.0%

In FY 2022, the County reduced the Housing and Booking rates to account for funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act utilized to offset costs associated with jail operations. As CARES Act funding was not utilized for costs related to the FY2023 rate calculation, a similar credit does not apply.

The FY2023 jail per diem billing rates were developed as part of a comprehensive jail per diem rate study performed by MGT Consulting (MGT). MGT is a recognized expert for preparing cost allocation models and has been used in prior years to review the methodology and rate development used in calculating the jail per diem billing rates.

The following provides detail as to the primary impacts on the FY2023 jail per diem billing rates.

The FY2023 jail per diem billing rates consist of housing and booking rates based on the Maricopa County Sheriff's Office (MCSO) and Correctional Health Services (CHS) FY2022 budgeted direct and indirect costs and the Central Service Cost Allocation (CSCA) charges, which include technology infrastructure, depreciation, facility maintenance, and other allocated costs. The rates are then derived by dividing the budgeted costs by the units of service, man days or bookings for the housing rate and booking rate, respectively. Budgeted costs for the development of the FY2023 rate totaled approximately \$333.8 million, an increase of \$1.7 million or 0.5% from the prior year. Approximately 97% of the budgeted costs are absorbed by Maricopa County while 3% is estimated to be recovered through jail per diem charges to the utilizing jurisdictions.

Of the budgeted costs, MCSO had an increase in housing costs and booking costs of \$2.6 million or 1.2% and \$2.9 million or 9.0%, respectively. CHS had a decrease in housing costs of \$5.7 million or 8.9% and an increase in booking costs of \$1.9 million or 17.0%, respectively. The increased costs can primarily be attributed to an increase in budgeted personnel costs for both MCSO and CHS. Specifically, budgeted personnel costs increased for those eligible for pay-for-performance salary adjustments, market adjustments, and an increase in benefits costs.

In addition to the increased costs noted for FY2023 rates, both the FY2022 and FY2023 jail per diem billing rates include budgeted costs for the Intake Transfer and Release facility that were new for costing models beginning in FY2022. In November 2020, the Intake Transfer and Release facility opened, which resulted in an increase in budgeted costs due to additional Detention Officer staffing to support a direct supervision model. Further, budgeted staff vacancies were reduced by 4% in FY2022 from FY2021, resulting in an overall increase in budgeted costs for rate models in FY2022 forward.

As noted above, a significant contributor to the annual change in booking and housing rates is the annual change in bookings and man days (housing days). As the rates are derived by dividing budgeted costs by the units of service (bookings or man days), any change in these factors impacts the booking and housing rates. The number of bookings increased from 70,241 to 75,060 or 6.9%. In addition, custody man days decreased from 2,226,799 to 2,143,650 or (3.7%). Although the number of bookings and man days did not significantly change from FY2022 to FY2023, both bookings and man days have significantly decreased since FY2021 with decreases of (21,004) or (21.9%) and (710,291) or (24.9%), respectively. As the utilization (bookings or man days) drives the total cost per unit (i.e., bookings or man days), a decrease in the utilization results in the total cost being spread over fewer units. These changes are believed to be a result of several factors including the impact of the COVID-19 pandemic on the jail population. To account for abnormal fluctuations in utilization and to smooth out year-over-year changes in bookings and man days, the County used a five-year utilization average to calculate the FY2023 jail per diem billing rates.

January 26, 2022
Final Jail Per Diem Billing Rates for FY2023
Page 3 of 3

Questions regarding Detention Facilities, please contact Jim Prindiville, MCSO Chief Financial Officer, at (602) 876-1614 or via email to: J_Prindiville@MCSO.Maricopa.gov.

Questions regarding Correctional Health Services, please contact Cody Johnson, Finance Manager, at (602) 506-1070 or via email to: Cody.Johnson@Maricopa.gov.

Maricopa County will publish the final jail per diem rates at the following location:
<https://www.maricopa.gov/5167/Financial-Reports>.

If you have any questions, please contact Bridget Harper, Office of Budget and Finance, Deputy Finance Director, at (602) 506-6410 or via email to: Bridget.Harper@Maricopa.gov.

cc: City/Town Manager